



## DFAT AID EVALUATION POLICY

### INTRODUCTION

The Department of Foreign Affairs and Trade (DFAT) delivers Australia's aid program. The aim of the aid program is to promote Australia's national interests by contributing to sustainable economic growth and poverty reduction. Robust evaluations play a vital role in ensuring we deliver a high quality aid program. They assist us by:

- Providing evidence and lessons to underpin our aid spend
- Supporting an organisational culture focused on innovation and continuous learning
- Reinforcing public confidence in government by credibly demonstrating the achievements of the aid program
- Strengthening our program management as well as the knowledge and skills of our staff, and
- Assisting us to meet our accountability obligations under the Public Governance, Performance and Accountability Act 2013, which requires DFAT to assess and report on its financial and non-financial performance.

### WHAT IS EVALUATION?

We define evaluation as the systematic and objective assessment of an ongoing or completed investment, program or policy.<sup>1</sup> It is an in-depth process which takes place on a periodic basis. Evaluation aims to provide credible evidence which can inform major program management and policy decisions and highlight important development lessons.

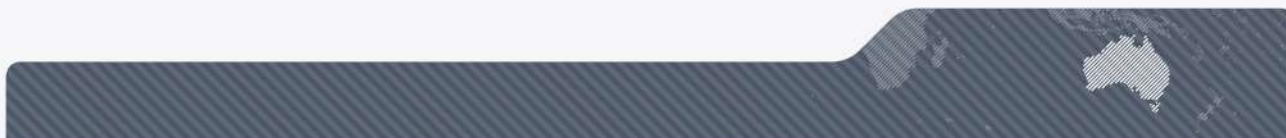
Evaluation is distinct from, but related to, monitoring. Monitoring is a continuous process which examines whether an investment, policy or program is on track to achieve its intended results. In DFAT, monitoring is characterised by activities such as dialogue with partners, monitoring visits to field sites, and the collection of data on key deliverables. Such activities feed into self-assessment processes such as Aid Quality Checks and Aid Program Performance Reports. Evaluation will generally use data gathered through monitoring as one source of evidence.

### TWO LEVELS OF EVALUATION

We have two broad types of evaluation in DFAT:

- **Strategic evaluations** are independently initiated and managed by the Office of Development Effectiveness (ODE). They are broad assessments of Australian aid that focus on policy directions or specific development themes. They typically examine a number of investments, often across multiple countries, regions or sectors. When determining evaluation topics, ODE is guided by the following principles:
  - Policy relevance: assessing progress on implementation of the Australian Government's policy priorities
  - Potential learning benefits: focusing on where there is a strong demand for insight, information or guidance

<sup>1</sup> This definition is adapted from the OECD's *Glossary of Key Terms in Evaluation and Results Based Management*.



- Coverage and materiality: over time ODE’s evaluations should provide appropriate coverage of expenditure by sector, theme, country and region, and
- Risks to aid effectiveness: examination of issues which pose a challenge to the Australian aid program and its reputation.
- **Program evaluations** are initiated and managed by program areas, such as country and sector programs. Each program undertakes an annual process to identify and prioritise a reasonable number of evaluations which they can use to improve their work. Programs have flexibility to determine the highest priority issues their evaluations should focus on. Programs are given a minimum number of evaluations which should be conducted each year, with larger programs expected to undertake more evaluations.

Each year ODE will compile DFAT’s Annual Evaluation Plan which will be reviewed and approved by the Secretary and shared with the Minister for Foreign Affairs. The Plan will be published on the ODE website. This Plan will outline the strategic evaluations to be undertaken by ODE and the evaluations to be undertaken by program areas. ODE will also report on progress against the Annual Evaluation Plan on a regular basis.

On occasion program areas may wish to undertake a rapid management review to help inform immediate decisions required on individual investments. Rapid management reviews are similar to evaluations but involve less time and resources and are generally less rigorous. The requirements of this Evaluation Policy do not apply to rapid management reviews.

## EVALUATION USE

Use is the driving force behind our evaluations. All our evaluations should be commissioned and conducted to maximise the use of evaluation findings and recommendations to improve our work.

To ensure evaluations are highly useful we focus on three areas: prioritisation; quality; and systems which facilitate use.

### Prioritisation

We focus evaluations on the highest priority issues in our programs. Focussing on areas where there is the greatest demand for evidence and improvement will ensure evaluations add value and are used. This includes the need for accountability, particularly for large aid investments.

Priority evaluation topics may include areas where there are significant evidence gaps that need to be filled so we can make better decisions; issues that pose significant risks to the effectiveness of our work; or interventions which are high priority for the Australian Government and our partners. A prioritisation tool assists program areas identify their priority evaluations.

### Quality

For evaluation findings to be used they must be credible and robust. For this reason all of our evaluation products and processes will be high quality. Quality is achieved in the following ways:

- We take advantage of both **independent and internal perspectives**. Evaluation teams should be led by an independent person who is not directly involved in program management to ensure the findings are objective. At the same time, evaluation teams should include DFAT staff to the extent possible. This will ensure evaluation teams understand our context and have insight into whether evaluation recommendations are appropriate and feasible. It will also ensure our staff have strong ownership of, and build their capacity in, evaluation



- When conducting evaluations we **engage early with our partners**, including partner governments and implementing partners, to the extent possible. We will ensure they have ownership of evaluation design and implementation, and that they understand our quality and publication expectations. Where we choose to participate in joint evaluations, or allow evaluations to be led by one of our development partners, we will first ensure that our quality, management response and publication requirements can be upheld
- Evaluations **fulfil our quality expectations**, as outlined in our Monitoring and Evaluation Standards. The Independent Evaluation Committee will also quality assure ODE evaluations
- Our evaluations are also **conducted ethically**. Evaluation teams should adhere to the Australasian Evaluation Society's Guidelines for the Ethical Conduct of Evaluations.<sup>2</sup>

## Systems which facilitate use

Our systems and processes facilitate the use of evaluations. For example:

- We provide **management responses** to all evaluations. These outline whether we agree with the recommendations, and how and when recommendations will be implemented. Management responses to ODE's strategic evaluations should be finalised within 28 days of completion of the evaluation report
- All evaluations and management responses will be **published on the DFAT website**. This should be done within three months of an evaluation report being completed
- We ensure **evaluation findings can be easily accessed**. The findings of ODE's strategic evaluations, for example, will be summarised in short evaluation briefs so key points can be easily understood and applied
- We **link design and evaluation**. Our systems will ensure the design of our strategies, programs and investments takes into account findings from evaluations. Designs should also consider how appropriate data can be collected to ensure high quality evaluations can be conducted
- We have **senior management oversight** of evaluations. First Assistant Secretaries will be responsible for deciding which program evaluations will be conducted. Senior Managers (e.g. Assistant Secretaries and Minister Counsellors) will sign off on management responses. The Secretary will review and approve the Annual Evaluation Plan and will receive regular reports on the progress of evaluations and those that have been published.

## ROLES AND RESPONSIBILITIES

The **Office of Development Effectiveness (ODE)** is an operationally independent unit of DFAT. In relation to this Policy, it is responsible for overseeing the Policy and associated guidance; initiating and conducting strategic evaluations; providing support to program areas to prioritise and conduct program evaluations; and compiling, reviewing, publishing and reporting against the Annual Evaluation Plan.

The **Independent Evaluation Committee (IEC)** is an external advisory body which strengthens the quality, credibility, and independence of ODE's work. The IEC is responsible for quality assuring ODE's evaluations; providing advice to improve this Policy; and endorsing the Annual Evaluation Plan.<sup>3</sup>


The **Aid Investment Committee (AIC)** provides oversight of Australia's aid investment portfolio. It is responsible for ensuring evaluation findings are used to inform the aid strategies and investments it approves.

The DFAT **Secretary** will approve the Annual Evaluation Plan and review regular progress reports against it.

<sup>2</sup> The Guidelines are available at <http://aes.asn.au/join-the-aes/membership-ethical-guidelines.html>

<sup>3</sup> The IEC's terms of reference are available at <http://dfat.gov.au/aid/how-we-measure-performance/ode/aboutode/Pages/iec.aspx>





The **Minister for Foreign Affairs** will be informed on the Evaluation Plan and receive progress reports against it.

DFAT **program areas** (including country/regional, global and sector programs) are responsible for identifying, completing and publishing a minimum number of high priority evaluations each year. Senior managers from these programs will decide which evaluations will be conducted and will approve management responses.

## REVIEW

ODE will review the Evaluation Policy on a regular basis to identify improvements. Success will be measured based on the extent to which evaluations produced under the Policy influence DFAT programs and policies; the quantity and quality of the evaluations produced; and the quality of DFAT systems designed to facilitate evaluation use.

